

Topic: Business Retention/ Expansion  
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- A. Identify a need or problem (or missed opportunity) that negatively affect's Missouri's economy.

**Response:** Professional economic developers know there are three main areas of emphasis in a successful economic development program: Business Retention/Expansion, Business Attraction, and assistance to Small Businesses and Entrepreneur start-ups. Economic development practitioners have documented there is much more probability of creating new and saving jobs through existing businesses programs than any other approach. Missouri does not have a coordinated State, regional and local retention program or information system that allows strategic information to acted upon or stored. Currently there is a gap in existing and small business information that would enable legislation for existing business policies, capture strategic information about Missouri businesses, and analyze existing business trends and market information, for promoting the message of appreciation to Missouri businesses, and ensure the future success of Missouri businesses. A second problem that needs to be addressed involves appreciation calls to Missouri businesses. There are many different local, regional, utility, education (cooperative extension), workforce development entities and State employees charged with meeting Missouri businesses and providing assistance. In some of these organizations there may be two or three persons charged with business assistance. Everyone has a different perspective about what questions to ask and there may be duplicative questions asked that looks un-coordinated for the organizations previously mentioned. These situations lead to disjointed communications and a lack of strategic information gathering that may lead to job loss and many missed opportunities. As Ford Chairmen Allan Mulaley said at the 2010 Governor's Conference, we must collaborate to make a better opportunity with a better competitive effort.

- B. Indicate the significance of the problem/opportunity, or what would happen if this problem or opportunity is not addressed?

**Response:** The significance of job loss and missed opportunities is great. The State may lose existing businesses because there is no assistance for troubled companies, companies closing or moving to other states, a company may loose existing or additional work because local plant personnel did not receive assistance from local and State leaders. These situations are caused lack of communication with companies, their corporate officials and specific market information. Employment opportunities and private sector investment are at risk because there are no relationships locally (or regionally or at a state level). Also lost is the opportunities to assist companies modernize and mechanize to be more competitive in their marketplaces.

The true opportunity cost of the current situation is the State of Missouri may get a label of not taking care of existing businesses. This may also negatively affect business attraction efforts.

C. Identify data that validates the extent of the problem;

**Response:** The problem is there is no comprehensive database that documents individual, small, and emerging business information to show the problems or missed opportunities currently in the Missouri business community. It is no longer effective for retention callers to meet with businesses and ask how they can help or what does the business leader think of municipal services. The retention caller must ask about information that is strategic in nature such as “how often to corporate officials visit the local plant?”, “how do corporate officials evaluate the plant; by cost or amount of production?”, “do local managers compete for more business against other corporate facilities?” Smaller business owners may be asked “how does their local business compete in the sales process?” or “what competitive advantage does the locally-made product have over its competitors?” Another primary problem of existing information is there is no standardized information collected for comparison and analysis purposes. Therefore there is no way to analyze or predict business problems or existing business trends. The only information available is secondary information from government reports that do not always meet the goals of business retention and expansion programs.

D. Identify best practices related to this issue, if appropriate;

**Response:** The most widely used internet-enabled business retention program software is E-Synchronist, a product of Blaine Canada, Ltd. The entire program is internet based with users having passwords to access different levels of information that provides confidentially for all who participate. The system does provide basic retention questions but has strategic questions for assistance and predictive purposes. There are states that have statewide E-Synchronist programs and investigators may want to discuss the benefits of a statewide program with them. There are E-synchronist users in the State of Missouri that can offer technical assistance and can assist in creating the program.

D. Develop an outline of the proposed solutions or actions to address the need/problem/opportunity;

**Response:** The first step is to identify the commitment of State and regional leaders to this concept and listed are below are issues they need to address.

- a. State, regional, local, and other leaders will commit to assisting and following the program's direction and decisions of the program's management team.
- b. Areas using other programs will have to be convinced to participate in the State's business retention program.
- c. There may need to be special efforts made to convince urban, suburban and rural areas to participate in the program.
- d. Stakeholders should establish a program management team. They should evaluate different processes to determine the structure of the organization.
- e. Execute agreements with existing suppliers of E-Synchronist.

E. Indicate the resources necessary to implement:

**Response:** Currently approximately two-thirds of the State's counties have access to E-Synchronist. A tentative proposal to purchase E-Synchronist availability for the remaining portion of the State is estimated at \$18,000. The work of the management committee should be in-kind from appropriate employers. On-going expenses are staff, travel, administrative costs. MODED can provide these estimates. Cost sharing may occur with workforce development entities.

F. Indicate the likely immediate and long-range benefits of the proposed action/solution and the method to measure performance.

**Response:** The immediate performance measures are to: assemble stakeholders and identify working relationships, establish a management committee, purchase access for remaining counties from Blane Canada, work through existing regional groups to establish visitation teams, assemble a protocol document, develop beginning statements for all interviewers and identify the number of interviews to take place in a year. A specific measurement of performance is the establishment retention organization and its processes, number of interviews completed in a year, interviews entered into the system and information reports generated per year. Once a number of interviews have been entered into the system, information reports can be produced to meet specific needs. With two years of interviews, entrepreneurial, small and existing business information can be generated for development of public policy and legislation, follow-up assistance documented and workforce development programs can be created. Specific measures include number of jobs saved or created resulting from specific business visits, number of times follow-up assistance has been recorded and number of times existing business programs are created due to information retrieved from the retention program.

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Perhaps the Governor can provide a statistical presentation concerning the State of Missouri business address to the legislature or a business affiliated audience. This program encapsulates an integrated statewide retention system for taking care of Missouri businesses.